

ARTICLE XXVII

BILLING

27.0 Billing.

27.1 Introduction.

27.1.1 This **Article XXVII** sets forth the terms and conditions on which the Parties shall bill all charges the Parties incur as a result of purchasing Network Elements, Resold Services or Interconnection functions, facilities, products and services, as set forth in this Agreement.

27.1.2 Charges for the relevant services billed under this **Article XXVII** are set forth herein, in the **Pricing Schedule** and in applicable tariffs or contracts referenced in this Agreement.

27.2 Billing Information and Charges.

27.2.1 SBC-AMERITECH will bill in accordance with this Agreement those charges AT&T incurs under this Article; e.g., charges for Resale services, Network Elements, Ancillary Services, and Interconnection. Each bill's charges will be formatted in accordance with CABS for charges for Network Elements ordered by AT&T and for Interconnection charges, or in accordance with Customer Records Information System ("**CRIS**") format for Resale services. If there are no industry-standard billing formats for the billing of another service provided under this Agreement, the billing format for such service will be determined by mutual agreement of the Parties. SBC-AMERITECH shall provide information on the invoices for each Billing Account Number ("**BAN**") sufficient to enable AT&T to identify for the Resale services or Network Elements being billed, the type of service ordered by AT&T and the usage to which the billed charges apply. Each CRIS bill, including Auxiliary Service Information, will set forth the quantity and description of Resale services provided and billed to AT&T. Each CABS bill will include a Customer Service Record ("**CSR**") and will set forth: (a) the quantity and description of each Network Element provided to AT&T, or (b) the usage and applicable rates billed for Interconnection.

27.2.1.1 SBC-AMERITECH agrees to accept, process and pay all bill invoices submitted by AT&T that are not CABS-compliant until such time as AT&T completes the conversion of the paper bill process in use as of April 1, 2000 to a CABS compliant process. AT&T shall use its reasonable best efforts to complete this conversion by January 1, 2001.

27.2.2 SBC-AMERITECH will provide AT&T a monthly bill that includes all charges incurred by and credits and/or adjustments due to AT&T pursuant to this Agreement. Each bill provided by SBC-AMERITECH to AT&T will include: (1) all non-usage sensitive charges incurred for the period beginning with the day after the current bill date and extending to, and including, the next bill date, (2) any known unbilled non-usage sensitive charges for prior periods, providing they shall not exceed the periods set forth in **Section 27.2.3** below, (3) unbilled usage sensitive charges for the period beginning with the last bill date and extending up to, but not including, the current bill date, (4) any known unbilled usage sensitive charges for prior periods, providing they shall not exceed the periods set forth in **Section 27.2.3**, below, and (5) any known unbilled adjustments, providing they shall not exceed the periods set forth in **Section 27.2.3**, below, and (6) any Customer Service Record (“CSR”) for all recurring flat-rated charges.

27.2.2.1 SBC-AMERITECH shall bill AT&T for each Unbundled Network Element, Resold Service or Interconnection facilities, products or services supplied by SBC-AMERITECH to AT&T pursuant to this Agreement at the rates prescribed by this Agreement. SBC-AMERITECH will bill AT&T based on the actual charges incurred; provided, however, for those usage-based charges where actual charge information is not determinable by SBC-AMERITECH, the Parties will jointly develop a process to determine the appropriate charges. Measurement of usage-based charges shall be in actual conversation seconds, or fraction thereof, measured in one tenth (1/10) of one second increments. For purposes of billing charges, total conversation seconds, or fractions thereof, per chargeable traffic types will be totaled for the entire monthly bill cycle and then rounded up to the next whole minute.

27.2.2.2 AT&T may request that certain categories of charges be included in separate bills, for which AT&T will designate different billing addresses.

27.2.2.3 Except as otherwise specified in this Agreement, each Party shall be responsible for: (a) all costs and expenses it incurs in complying with its obligations under this Agreement, and (b) the development, modification, technical installation and maintenance of any systems or other infrastructure that it requires to comply with and to continue complying with its responsibilities and obligations under this Agreement.

27.2.2.4 Each Party shall provide the other Party, at no additional charge, a contact person to address billing questions or problems that may arise during the implementation and performance of the terms and conditions of this **Article XXVII**.

27.2.2.5 SBC-AMERITECH shall recognize AT&T as the customer of record for all Resold Service and will send all notices, bills and other pertinent information directly to AT&T, unless AT&T specifically requests otherwise. The bill will

include sufficient data to enable AT&T to reconcile the billed charges with the recorded call information furnished in accordance with the requirements of **Section 27.10** of this Agreement.

27.2.3 A Party may send bills to the other Party containing amounts found to be unbilled or underbilled (“Backbill(s)”), as follows:

27.2.3.1 Except as provided in **Section 27.2.3.5** below, for erroneous failure to bill or underbilling of any charges incurred by a Party under this Agreement, the billing Party may submit a Backbill to the billed Party for charges incurred by the billed Party up to one hundred and twenty (120) days prior to the Backbill date. For the purposes of this **Section 27.2.3**, charges shall be deemed incurred for: (i) services charged on a usage-sensitive basis, upon the recording of such usage, and (ii) all other services, upon the first day of the billing cycle in which the billed Party used such service; or

27.2.3.2 For failure to bill or underbilling where data exchange with third party carriers is required, the billing Party may submit a Backbill to the billed Party for charges incurred by the billed Party up to one hundred and twenty (120) days prior to the Backbill date; or

27.2.3.3 Where a billing Party is required by regulatory agencies, arbitrators, courts, or legislatures to implement new pricing structures, the billing Party may submit to the billed Party, up to one hundred and twenty (120) days after the implementation date required in the regulatory action, the date of the final, non-appealable arbitration or order, or the effective date of the legislation or tariff (each such date hereinafter referred to as a “Governmental Requirement Date”), a Backbill for charges incurred by the billed Party as a result of, and since the applicable Governmental Requirement Date; or

27.2.3.4 Except as provided in **Section 27.2.3.5** below, neither Party will be liable for charges contained in Backbills that are sent outside the time periods defined in **Section 27.2.3.1** through **Section 27.2.3.3**.

27.2.3.5 A billing Party may send Backbills outside of the time periods defined in **Section 27.2.3.1** through **Section 27.2.3.3**, but otherwise subject to the limitations in this Agreement applicable to billing disputes, for charges incurred by the billed Party where the failure to bill or underbilling is caused solely by the acts, failure or refusal to act, errors or omissions of the billed Party, and the billed Party shall be liable for such Backbilled charges. Where such failure to bill or underbilling is caused in part by the billed Party and in part by the billing Party, the Parties may agree upon other time periods for Backbilling.

27.2.4 Each Party will provide the other Party at no additional charge a contact person for the handling of any billing questions or problems, including those arising from the Official Bill, that may arise during the implementation and performance of the terms and conditions of this Article.

27.2.4.1 Official Bill is the bill sent by the billing Party in a mechanized format and paper bills are “official” only when the established billing for a service is not in a mechanized format.

27.2.5 For CABS-billed services, SBC-AMERITECH will assign to AT&T a separate Billing Account Number (“**BAN**”) per each type of service (e.g., connectivity) per LATA.

27.2.6 For Resale services, SBC-AMERITECH will assign to AT&T a separate BAN per Regional Accounting Office (“**RAO**”) for consumer or residential and a separate BAN per RAO for business.

27.3 Issuance of Bills.

27.3.1 The Parties will issue all bills in accordance with the terms and conditions set forth in this Section. Each Party will establish monthly billing dates (Bill Date) for each BAN, which Bill Date will be the same day month to month. Each BAN will be provided in 13 alpha/numeric characters and will remain constant from month to month, unless changed as agreed to by the Parties. Each Party will provide the other Party at least thirty (30) calendar days written notice prior to changing, adding or deleting a BAN. As applicable to CABS, each Party will provide one invoice associated with each BAN. Each invoice must contain an invoice number (which will vary from month to month). All bills must be received by AT&T no later than ten (10) calendar days from Bill Date and at least twenty (20) calendar days prior to the payment due date (as described in this Article), whichever is earlier. Any bill received on a Saturday, Sunday or a day designated as a holiday by the Chase Manhattan Bank of New York (or such other bank as the Parties may agree) will be deemed received the next business day. If either Party fails to receive billing data and information within the time period specified above, the payment due date will be extended by the number of days the bill is late.

27.3.2 All bills that are in CABS format, shall contain billing data and information in accordance with CABS Version 31.0 or such later versions of CABS as are published by Telcordia Technologies, Inc., or its successor. To the extent that there are no CABS standards governing the formatting of certain data, such data will be issued in the format agreed by the Parties by thirty (30) days after the Effective Date of the Agreement.

27.3.3 If either Party requests an additional copy(ies) of a bill, the requesting Party will pay the other Party a reasonable fee per additional copy(ies), unless

such copy(ies) was requested due to errors, omission or corrections, or the failure of the original transmission to comply with the specifications set forth in this Article.

27.3.4 To avoid transmission failures or the receipt of billing information that cannot be processed, the Parties will provide each other with their respective process specifications and edit requirements. The Parties will provide one another reasonable (within three (3) business days) notice if a billing transmission is received that does not meet the specifications in this Article. Such transmission will be corrected and resubmitted to the billed Party, at the billing Party's sole expense, in a form that meets the specifications. The payment due date for such resubmitted transmissions will be twenty (20) days from the date that the transmission is received in a form that can be processed and that meets the specifications set forth in this Article.

27.4 Electronic Transmissions.

27.4.1 At AT&T's request, SBC-AMERITECH will transmit billing information and data via Connect:Direct (formerly known as Network Data Mover) to AT&T at the location specified by AT&T. The Parties agree that a T1.5 or 56kb circuit to Gateway for Connect:Direct is required. AT&T data centers will be responsible for originating the calls for data transmission via switched 56kb or T1.5 lines. If SBC-AMERITECH has an established Connect:Direct link with AT&T, that link can be used for data transmission if the location and applications are the same for the existing link. Otherwise, a new link for data transmission must be established. When electronic transmission is established by mutual agreement, SBC-AMERITECH must provide AT&T/Alpharetta its Connect:Direct Node ID and corresponding VTAM APPL ID before the first transmission of data via Connect:Direct. AT&T's Connect:Direct Node ID is "NDMATTA4" and VTAM APPL ID is "NDMATTA4" and must be included in SBC-AMERITECH's Connect:Direct software. AT&T will supply to SBC-AMERITECH its RACF ID and password before the first transmission of data via Connect:Direct. Any changes to either Party's Connect:Direct Node ID must be sent to the other Party no later than twenty-one (21) calendar days before the changes take effect.

27.4.2 The following dataset format will be used as applicable for those charges transmitted via Connect:Direct in CABS format:

Production Dataset

AF25.AXXXXYYY.AZZZ.DDDEE	Production Dataset Name
AF25 =	Job Naming Convention
AXXXX =	Numeric Company Code
YYY =	SBC-AMERITECH Remote
AZZZ =	RAO (Revenue Accounting Office)
DDD =	BDT (Billing Data Tape with or without CSR) Or CSR (Customer Service Record)
EE =	thru 31 (Bill Period) (optional) Or GA (US Postal-State Code)

Test Dataset

AF25.ATEST.AXXXX.DDD	Test Dataset Name
AF25.ATEST =	Job Naming Convention
AXXXX =	Numeric Company Code
DDD =	BDT (Billing Data Tape with or without CSR) Or CSR (Customer Service Record)

27.5 Tape Or Paper Transmissions.

27.5.1 In the event either Party does not have Connect:Direct capabilities upon the effective date of this Agreement, such Party agrees to establish Connect:Direct transmission capabilities with the other Party within the time period mutually agreed and at the establishing Party's expense. Until such time, the Parties will transmit billing information to each other via magnetic tape or paper (as agreed to by AT&T and SBC-AMERITECH). Billing information and data contained on magnetic tapes or paper for payment will be sent to the Parties at the locations below, unless other locations are designated by the respective Party. The Parties acknowledge that all tapes transmitted to the other Party via US Mail or Overnight Delivery and which contain billing data will not be returned to the sending Party.

	TO AT&T	TO SBC-AMERITECH
Tape Transmissions via U.S. Mail:	AT&T 300 North Point Parkway FLOC 217M01 Alpharetta, Georgia 30005 Attn: AC&R Access Bill Coordinator	Technical Architect 7222 N. Broadway Room 7M149A Milwaukee, WI 53202
Tape Transmissions via Overnight Delivery:	AT&T 500 North Point Parkway FLOC B1404 Alpharetta, Georgia 30005 Attn: AC&R Access Bill Coordinator	Technical Architect 7222 N. Broadway Room 7M149A Milwaukee, WI 53202
Paper Transmissions via U.S. Mail:	AT&T Caller Service 6908 Alpharetta, Georgia 30009 Attn: AC&R Access Bill Coordinator	Technical Architect 7222 N. Broadway Room 7M149A Milwaukee, WI 53202
Paper Transmissions via Overnight Delivery:	AT&T 500 North Point Parkway FLOC B1404 Alpharetta, Georgia 30005 Attn: AC&R Access Bill Coordinator	Technical Architect 7222 N. Broadway Room 7M149A Milwaukee, WI 53202

27.5.2 Each Party will adhere to tape packaging practices that will prevent data damage.

27.5.3 All billing data transmitted via tape must be provided on a cartridge (cassette) tape and must be of high quality, conform to the Parties' record and label standards, 9-track, odd parity, 6250 BPI, group coded recording mode and extended binary-coded decimal interchange code ("EBCDIC"). Each reel of tape must be one hundred percent (100%) tested at twenty percent (20%) or better "clipping" level with full width certification and permanent error free at final inspection. AT&T reserves the right to destroy a tape that has been determined to have unrecoverable errors. AT&T also reserves the right to replace a tape with one of equal or better quality.

27.5.4 For CABS, billing data tapes shall have the following record and label standards. The dataset serial number on the first header record of an IBM standard tape label also shall have the following format.

	CABS BOS	SECAB
Record Length	225 bytes (fixed length)	250 bytes (fixed length)
Blocking factor	84 records per block	84 records per block
Block size	18,900 bytes per block	18,900 bytes per block
Labels	Standard IBM Operating System	Standard IBM Operating System

27.5.5 A single 6-digit serial number must appear on the external (flat) surface of the tape for visual identification. This number shall also appear in the "dataset serial number field" of the first header record of the IBM standard tape label. This serial number shall consist of the character "V" followed by the reporting location's four digit Originating Company Code and a numeric character chosen by the sending company. The external and internal label shall be the same. The dataset name shall appear on the flat side of the reel and also in the "data set name field" on the first header record of the IBM standard tape label. LEC's name, address, and contact shall appear on the flat side of the cartridge or reel.

27.5.6 Billing tape labels will conform to the following OBF standards, as the same may change from time to time. Tape labels shall conform to IBM OS/VS Operating System Standards contained in the IBM Standard Labels Manual (GC26-3795-3). IBM standard labels are 80-character records recorded in EBCDIC, odd parity. The first four characters identify the labels:

Volume 1	Volume label
HDR1 and HDR2	Data set header labels
EOV1 and EOV2	Data set trailer labels (end-of-volume for multi-reel files)
EOF1 and EOF2	Data set trailer labels (end-of-data-set)

The HDR1, EOV1, and EOF1 labels use the same format and the HDR2, EOV2, and EOF2 labels use the same format.

27.6 Testing Requirements.

27.6.1 At least ninety (90) days prior to either Party sending a mechanized CABS bill for the first time via electronic transmission, or tape; or at least thirty (30) days prior to either Party changing mechanized formats; or at least ninety (90) days prior to either Party changing transmission mediums (e.g., from paper to mechanized), the billing Party will send bill data in the mechanized format according to this Article, for testing to ensure that the bills can be processed and that the bills comply with the requirements of this Article. SBC-AMERITECH shall also provide to AT&T's Company Manager, located at 500 North Point Parkway, FLOC B1104B, Alpharetta, Georgia 30302, the LEC's

originating or state level company code so that it may be added to AT&T's internal tables at least thirty (30) calendar days prior to testing or a change in the LEC's originating or state level company code. AT&T will notify SBC-AMERITECH within the time period agreed to by the Parties if billing transmission testing fails to meet CABS/BOS specifications. SBC-AMERITECH shall make the necessary corrections within the time period agreed to with AT&T to ensure that billing transmissions testing meet CABS/BOS specifications. SBC-AMERITECH shall not send AT&T a mechanized CABS bill for Network Elements (except for testing) until such bills meet CABS/BOS specifications

27.6.2 After receipt of the test data the Party receiving the data will notify the Party sending the data if the billing transmission meets testing specifications. If the transmission fails to meet the agreed testing specifications, the Party sending the data will make the necessary corrections. At least three (3) sets of testing data must meet the mutually agreed testing specifications prior to either Party sending a mechanized production bill for the first time via electronic transmission. Thereafter, the billing Party may begin sending the billed Party mechanized production bills on the next Bill Date, or within ten (10) days, whichever is later.

27.6.3 For Resale services, during the testing period, SBC-AMERITECH shall transmit to AT&T Connectivity Billing data and information via paper transmission. Test tapes shall be sent to AT&T at the following location:

Test Tapes:	AT&T 500 North Point Parkway FLOC B1104B Alpharetta, Georgia 30005 Attn: Access Bill Testing Coordinator
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27.7 Additional Requirements.

27.7.1 If SBC-AMERITECH transmits data in a mechanized format, SBC-AMERITECH will comply with the following specifications which are not contained in CABS or EDI/BOS guidelines but which are necessary for AT&T to process billing information and data:

- (a) The BAN will not contain embedded spaces or low values.
- (b) The Bill Date will not contain spaces or non-numeric values.
- (c) Each bill must contain at least one detail record.
- (d) Any "From" Date should be less than the associated "Thru" Date and neither date can contain spaces.
- (e) The invoice number must not have embedded spaces or low values.

27.8 Bill Accuracy Certification.

27.8.1 The Parties agree that in order to ensure the proper performance and integrity of the entire billing process, SBC-AMERITECH will be responsible and accountable for transmitting to AT&T an accurate and current bill. For the purposes of this Agreement, SBC-AMERITECH agrees to implement control mechanisms and procedures to render a bill that accurately reflects the services ordered and used by AT&T under this Agreement. Accordingly, at AT&T's option on a connectivity by connectivity basis, AT&T and SBC-AMERITECH agree for the purposes of this Agreement to jointly develop a process and methodology for bill certification.

27.9 Meetpoint Billing – Facilities Based.

27.9.1 AT&T and SBC-AMERITECH will establish and maintain meetpoint billing (“**MPB**”) arrangements in accordance with the Meet Point Billing guidelines adopted by and contained in the OBF's MECAB and MECOD documents, except as modified herein. Each Party will maintain provisions in its respective federal and state access tariffs, and/or provisions within the National Exchange Carrier Association (“**NECA**”) Tariff No. 4, or any successor tariff to reflect the MPB arrangements identified in this Agreement, including MPB percentages.

27.9.2 AT&T and SBC-AMERITECH will implement the Multiple Bill/Single Tariff option. As described in the MECAB document, each Party will render a bill in accordance with its own tariff for that portion of the service it provides.

27.9.3 In the case of tandem routing, the tandem company will provide to the end office company the billing name, billing address, and carrier identification code (“**CIC**”) of the Interexchange Carriers (“**IXCs**”) in order to comply with the MPB Notification process as outlined in the MECAB document. Such information will be provided, on a one-time basis, in the format and via the medium that the Parties agree. In the event that the end office company is unable to ascertain the IXC to be billed, the tandem company will work with the end office company to identify the proper entity to be billed.

27.9.4 SBC-AMERITECH and AT&T will record and transmit MPB information in accordance with the standards and in the format set forth in this Article . SBC-AMERITECH and AT&T will coordinate and exchange the billing account reference (“**BAR**”) and billing account cross reference (“**BACR**”) numbers for the MPB arrangements described in this Agreement. Each Party will notify the other if the level of billing or other BAR/BACR elements change, resulting in a new BAR/BACR number.

27.9.5 Each Party will provide access usage records (“**AURs**”) to the other Party within ten (10) business days of the recording. The initial billing company will provide the summary usage records (“**SURs**”) to the subsequent billing company within ten (10) business days of sending initial billing company bills to the IXC. Neither Party

will compensate the other for this record exchange. The details of record exchange are set forth in **Section 27.10** of this **Article XXVII**.

27.9.5.1 The subsequent billing company will provide the initial billing company with the Switched Access Detail Usage Data (category 1101XX records) on magnetic tape or via such other media as the Parties may agree to, no later than ten (10) business days after the date the usage occurred. The subsequent billing company will send such data to the location specified by the initial billing company.

27.9.5.2 The initial billing company will provide the subsequent billing company with the Switched Access Summary Usage Data (category 1150XX records) on magnetic tape or via such other media as the Parties may agree to, no later than ten (10) business days after the date of its rendering of the bill to the relevant IXC, which bill shall be rendered no less frequently than monthly. The initial billing company will send such data to the location specified by the subsequent billing company.

27.9.6 Both Parties will provide the other a single point of contact to handle any MPB questions and will not charge for billing inquiries.

27.10 Recording. The Parties shall record call information in accordance with this subsection. To the extent technically feasible, the Parties shall record all available call detail information associated with calls originated or terminated to the other Party.

27.10.1 SBC-AMERITECH will record all IXC transported messages for CLEC carried over all Feature Group Switched Access Services that are available to SBC-AMERITECH provided recording equipment or operators. Unavailable messages (i.e., certain operator messages that are not accessible by SBC-AMERITECH -provided equipment or operators) will not be recorded. The recording equipment will be provided at locations selected by SBC-AMERITECH.

27.10.1.1 SBC-AMERITECH will perform assembly and editing, message processing and provision of applicable access usage record detail for IXC transported messages if the messages are recorded by SBC-AMERITECH .

27.10.1.2 Assembly and editing will be performed on all IXC transported messages recorded by SBC-AMERITECH, during the billing period established by SBC-AMERITECH and selected by AT&T. Standard EMR record formats for the provision of billable message detail and access usage record detail will be established by SBC-AMERITECH and provided to AT&T.

27.10.1.3 Recorded billable message detail and access usage record detail will not be sorted to furnish detail by specific end users, by specific groups of end users, by office, by feature group or by location.

27.10.1.4 SBC-AMERITECH will provide message detail to CLEC in data files, via data lines (normally a File Transfer Protocol), utilizing an 800 dial up or the Internet to receive and deliver messages or a network data mover facility, using software and hardware acceptable to both Parties.

27.10.2 SBC-AMERITECH as the Recording Company, agrees to provide recording, assembly and editing, message processing and provision of message detail for Access Usage Records (“**AURs**”) ordered/required by AT&T in accordance with this agreement on a reciprocal, no-charge basis. AT&T agrees to provide any and all Summary Usage Records (“**SURs**”) required by SBC-AMERITECH on a reciprocal, no-charge basis. The Parties agree that this mutual exchange of records at no charge to either Party shall otherwise be conducted according to the guidelines and specifications contained in the Multiple Exchange Carrier Access Billing (“**MECAB**”) document.

27.10.3 SBC-AMERITECH will provide AT&T valid lists and ongoing updates of all carrier identification codes (“**CIC**”) and associated billing information for each SBC-AMERITECH tandem to insure accurate billing in accordance with guidelines adopted by and contained in the Ordering and Billing Forum’s MECAB and MECOD documents.

27.10.4 Each EMR record transmitted by one Party to the other Party will contain a CIC.

27.10.4.1 If SBC-AMERITECH does not have a CIC for a local exchange carrier, CLEC or IXC for whom SBC-AMERITECH must transmit to AT&T Connectivity Billing records or information pursuant to this **Article XXVII**, SBC-AMERITECH will assist such carrier in obtaining a CIC expeditiously. Until such carrier obtains a CIC, SBC-AMERITECH will use SBC-AMERITECH’s CIC on records for billing and payment submitted to AT&T with respect to such carrier. SBC-AMERITECH will obtain reimbursement for the respective charges from the appropriate carrier.

27.10.4.2 If AT&T does not have a CIC for a local exchange carrier, CLEC or IXC for whom AT&T must transmit to SBC-AMERITECH Connectivity Billing records or information pursuant to this **Article XXVII**, AT&T will assist such carrier in obtaining a CIC expeditiously. Until such carrier obtains a CIC, AT&T will use AT&T’s CIC on records for billing and payment submitted to SBC-AMERITECH with respect to such carrier. AT&T will obtain reimbursement for the respective charges from the appropriate carrier.

27.10.5 Each Party shall provide the other Party, at no additional charge, a contact person for resolving any data exchange problems.

27.10.6 If, despite timely notification by one Party, the other Party

fails to provide message detail due to loss, as a direct result of the other having lost or damaged tapes or incurred system outages while performing recording, assembly and editing, rating, message processing, and/or transmission of message detail, the Party failing to provide data ("non-providing Party") will estimate the volume of lost messages and associated revenue based on information available to it concerning the average revenue per minute for the average interstate and/or intrastate call. In such events, the non-providing Party's liability to the other Party shall be limited to one of the following two alternatives, from which the other Party may choose:

- 1) the granting of a credit adjusting amounts otherwise due from it equal to the estimated net lost revenue associated with the lost message detail; or
- 2) a direct reimbursement for such amount of estimated net lost revenue.

27.11 Mutual Compensation.

27.11.1 The Parties will bill each other reciprocal compensation in accordance with the standards and record exchange requirements set forth in this Agreement in the **Pricing Schedule** and in accordance with **Section 27.11.5**, below.

27.11.2 In SBC-AMERITECH, billing for mutual compensation will be provided in accordance with mutually agreed to CABS-like data content via current industry processes for mutual compensation, as described in **Section 27.3.2**, preceding.

27.11.3 Where a procedure has not already been set forth in this Article, the Parties will work cooperatively to establish, not later than thirty (30) days after the Effective Date of the Agreement, a method of billing, collecting and remitting for local charges which are billed and collected by one Party but earned by the other Party.

27.11.4 When AT&T is a local switch network element customer of SBC-AMERITECH, SBC-AMERITECH will calculate a third party switch originated mutual compensation statewide average revenue per access line which will be multiplied by AT&T's switch port count to arrive at AT&T's compensation for terminating traffic originated from a third party. SBC-AMERITECH will calculate each month's statewide average revenue/access line using that month's mutual compensation summary data and apply to each AT&T switch port in service to arrive at that month's compensation.

27.11.5 When AT&T is a local switch network element customer of SBC-AMERITECH, provision of records by SBC-AMERITECH for mutual compensation will be as specified in the Southwestern Bell Resale/Unbundled Network Elements Usage Extract User Guide Dated April 12, 2000, or as otherwise agreed to by the Parties.

27.12 Payment of Charges.

27.12.1 Subject to the terms of this Agreement, including but not limited to **Section 28.2** and **Section 28.3**, AT&T and SBC-AMERITECH will pay each other all rates and charges due and owing under this Agreement within thirty (30) calendar days from the Bill Date of an invoice or within twenty (20) calendar days from the date on which an invoice is received, whichever is later (the "Bill Due Date"); provided, the paying Party shall notify the billing Party in writing before the earlier of the two dates if it intends to avail itself of the "20 days from receipt" option. If the Bill Due Date is a Sunday or is a Monday that has been designated a bank holiday by the Chase Manhattan Bank of New York (or such other bank as the Parties agree), payment will be made the next business day. If the Bill Due Date is a Saturday or is on a Tuesday, Wednesday, Thursday or Friday that has been designated a bank holiday by the Chase Manhattan Bank of New York (or such other bank as the Parties agree), payment will be made on the preceding business day.

27.12.2 Each Party shall make all Payments in U.S. Dollars to the other Party via electronic funds credit transfers through the Automated Clearing House Association ("ACH") network to the financial institution designated by the Party receiving the payment. At least thirty (30) days prior to the first transmission of billing data and information for payment, SWBT will provide the name and address of its bank, its account and routing number and to whom billing payments should be made payable. If such banking information changes, each Party will provide the other Party at least sixty (60) days written notice of the change and such notice will include the new banking information. AT&T and SWBT shall abide by the National Automated Clearing House Association ("NACHA") Rules and Regulations. Each ACH credit transfer shall be received by the billing Party no later than the applicable Bill Due Date of each bill or interest will apply as provided in **Section 27.13** below. The Party receiving payment shall not be liable for any delays in receipt of funds or errors in entries caused by the paying Party or third parties, including the paying Party's financial institution. The paying Party is responsible for its own banking fees. Each Party will provide the other Party with a contact person for the handling of billing payment questions or problems.

27.12.2.1 SBC-AMERITECH and AT&T shall provide each other with remittance advices, providing detailed account information for proper application of the payment made by the paying Party. The remittance advice shall be transmitted electronically by 1:00 A.M. Eastern Time on the date the payment is effective, via an 820 EDI process, or, if the Parties agree, through the ACH network. Such process shall be utilized by the Parties beginning no later than three (3) months after the Effective Date of this Agreement, unless otherwise agreed between the Parties.

27.12.2.2 In the event AT&T receives multiple and/or other bills from SBC-AMERITECH that are payable on the same date, AT&T may remit one payment for the sum of all such bills payable to SBC-AMERITECH's bank account designated pursuant to **Section 27.12.2** and AT&T will provide SBC-AMERITECH with a

payment advice pursuant to **Section 27.12.2.1**.

27.13 Late Payment Charges. If either Party fails to remit payment for any charges for services by the applicable due date, or if a payment or any portion of a payment is received by the billing Party from the paying Party after the applicable due date, or if a payment or any portion of a payment is received in funds which are not immediately available to the billing Party as of the due date (individually and collectively, “**Past Due**”), then interest shall be assessed as follows in **Sections 27.13.1** and **27.13.2**, as applicable. No other late payment fee or charge applies to overdue amounts.

27.13.1 If any charge incurred under this Agreement is past due (including prior months’ unpaid interest charges), such unpaid amounts shall bear interest from the applicable due date until paid. The interest rate applied to Past Due unpaid amounts billed out of any billing system other than the SBC-AMERITECH Customer Records Information System (“**CRIS**”) shall be the lesser of: (i) the rate used to compute the Late Payment Charge contained in the SBC-AMERITECH intrastate Michigan access services Commission-approved tariff, and (ii) the highest rate of interest that may be charged under applicable law, compounded daily from the applicable due date to and including the date that the payment is actually made and available.

27.13.2 If any charge incurred under this Agreement that is billed out of SBC-AMERITECH's CRIS is past due (including prior months’ unpaid interest charges), such unpaid amounts shall bear interest from the applicable due date until paid. The interest rate applied to SBC-AMERITECH CRIS-billed Past Due unpaid amounts shall be the lesser of (i) the rate used to compute the Late Payment Charge contained in the SBC-AMERITECH Michigan intrastate retail Commission-approved tariff governing Late Payment Charges to SBC-AMERITECH's retail end users that are business end users, and (ii) the highest rate of interest that may be charged under applicable law, compounded daily from the applicable due date to and including the date that the payment is actually made and available.

27.14 Termination for Nonpayment and Procedures for Disconnection.

27.14.1 Either Party may terminate this Agreement in the event of a Party's refusal or failure to pay all or any portion of any amount required to be paid to the other Party as and when due; provided, however, that the Party allegedly due payment: (1) notifies the other Party in writing of the amounts due pursuant to the notice provisions of this Agreement, (2) uses any dispute resolution process permitted under **Section 28.3**, (3) obtains a favorable final, nonappealable and nonreviewable ruling in that process, and (4) does not receive payment within thirty (30) calendar days of the date on which such ruling becomes nonappealable and nonreviewable.

27.14.2 Pending the resolution of any dispute raised in accordance with **Section 28.3** of this Agreement, whether by settlement or by final and nonappealable

arbitration award, ruling, order or judgment, each Party shall continue to perform all of its obligations under this Agreement, and shall not, based upon an act or omission that is the subject of the dispute that is pending resolution, exercise any right of termination or disconnection under this **Section 27.14**, unless otherwise directed by the other Party. Notwithstanding the foregoing, SBC-AMERITECH may disconnect Resale and/or UNE services provided under this Agreement for nonpayment, as set forth below.

27.14.3 Where AT&T has refused or failed to pay all or any portion of any amount required to be paid to SBC-AMERITECH for Resale and/or UNE services provided under this Agreement as and when due and payable and has not presented a dispute under **Section 28.2** of this Agreement, the procedures for notice and disconnection as set forth in **Sections 27.14.6 through 27.14.14**, below shall apply.

27.14.4 Where AT&T has refused or failed to pay all or any portion of any amount required to be paid to SBC-AMERITECH for Resale and/or UNE services provided under this Agreement as and when due and payable and has presented a dispute as to those amounts (the “Previously Disputed Amounts”) under **Section 28.2.2** of this Agreement, but neither Party has sought or requested Formal Dispute Resolution under **Section 28.3.3** of this Agreement, within sixty (60) days of the date of the letter initiating informal dispute resolution under **Section 28.2.2** (the “Informal Dispute Period”), then SBC-AMERITECH shall notify AT&T and the Commission that unless the Previously Disputed Amounts are paid within sixteen (16) calendar days, the resale services and/or network elements furnished to AT&T under this Agreement for which the Previously Disputed Amounts are outstanding (i.e. delinquent) shall be disconnected. This notice shall further specify that any of AT&T’s Resale end users that will be affected by such disconnection shall be caused to be defaulted to SBC-AMERITECH local service. On the same day it sends the notice letter required by this **Section 27.14.4**, SBC-AMERITECH will suspend acceptance of any order (other than a disconnect order) from AT&T for any resale service or network element that could be furnished under this Agreement. Furthermore, the provisions of **Sections 27.14.8 through 27.14.14** shall apply, but Sections containing specific time periods relative to the obligations shall be modified as follows:

- (i) In **Section 27.14.8**, the phrase “forty (40) calendar days past the due date of the undisputed Unpaid Charges” shall be modified to read “forty (40) days past the expiration of the 60-day Informal Dispute Period;”
- (ii) In **Section 27.14.9**, the phrase “forty-five (45) calendar days past the due date of such Unpaid Charges” shall be modified to read “forty-five (45) days past the expiration of the 60-day Informal Dispute Period;”

- (iii) In **Section 27.14.10**, the parenthetical “(fifty (50) calendar days past the due date for such undisputed Unpaid Charges)” shall be deleted;
- (iv) In **Section 27.14.11**, the parenthetical “(eighty (80) calendar days past the due date for AT&T’s undisputed Unpaid Charges)” shall be deleted.
- (v) Further, **Sections 27.14.8 through 27.14.14** shall be modified to read “Previously Disputed Amounts” where the phrase “Unpaid Charges” is found.

27.14.5 Where AT&T has refused or failed to pay all or any portion of any amount required to be paid to SBC-AMERITECH for Resale and/or UNE services provided under this Agreement as and when due and payable following the conclusion of any Formal Dispute Resolution process initiated by a Party or employed by the Parties pursuant to **Section 28.3.3** below, then, no sooner than fifteen (15) days after the Formal Dispute Resolution process has concluded, SBC-AMERITECH shall notify AT&T and the Commission that unless the amounts required to be paid to SBC-AMERITECH following the conclusion of the Formal Dispute Resolution process (“**FDR Amounts**”) are paid within sixteen (16) calendar days, the resale services and/or network elements furnished to AT&T under this Agreement for which the FDR Amounts are outstanding (i.e. delinquent) shall be disconnected. This notice shall further specify that any of AT&T’s Resale end users that will be affected by such disconnection shall be caused to be defaulted to SBC-AMERITECH local service. On the same day it sends the notice letter required by this **Section 27.14.5**, SBC-AMERITECH will suspend acceptance of any order (other than a disconnect order) from AT&T for any resale service or network element that could be furnished under this Agreement. For purposes of this **Section 27.14.5**, “conclusion” of the Formal Dispute Resolution process initiated by a Party or employed by the Parties pursuant to **Sections 28.3**, above shall occur on the day any ruling, order or award in that process becomes final and nonappealable. Furthermore, the provisions of **Sections 27.14.8 through 27.14.14** shall apply, but Sections containing specific time periods relative to the obligations shall be modified as follows:

- (i) In **Section 27.14.8**, the phrase “forty (40) calendar days past the due date of the undisputed Unpaid Charges” shall be modified to read “forty (40) days past the conclusion of the Formal Dispute Resolution process;”
- (ii) In **Section 27.14.9**, the phrase “forty-five (45) calendar days past the due date of such Unpaid Charges” shall be modified to read “forty-five (45) days past the conclusion of the Formal Dispute Resolution process;”
- (iii) In **Section 27.14.10**, the parenthetical “(fifty (50) calendar days past

the due date for such undisputed Unpaid Charges)” shall be deleted;

- (iv) In **Section 27.14.11**, the parenthetical “(eighty (80) calendar days past the due date for AT&T’s undisputed Unpaid Charges)” shall be deleted.
- (v) Further, **Sections 27.14.8 through 27.14.14** shall be modified to read “FDR Amounts” wherever the phrase “Unpaid Charges” is found.

27.14.6 If AT&T fails to pay when due, any and all charges, including any applicable interest, that are billed to AT&T for resale services and network elements furnished under this Agreement and are not disputed under **Section 28.2.2** (“Unpaid Charges”), and any portion of such Unpaid Charges remain unpaid after the due date, SBC-AMERITECH shall notify AT&T in writing that in order to avoid having service disconnected, AT&T must remit all such Unpaid Charges to SBC-AMERITECH. With respect to resale services and network elements, SBC-AMERITECH will notify AT&T that such Unpaid Charges remain unpaid fifteen (15) calendar days after the due date and that AT&T must remit payment within fourteen (14) calendar days from AT&T receipt of SBC-AMERITECH’s notice, except as otherwise provided in **Section 28.2.2**, governing bona fide billing disputes of unpaid amounts. No payment made by AT&T following notice by SBC-AMERITECH as provided in this Section shall prejudice or otherwise adversely affect AT&T’s right to dispute the Unpaid Charges, once paid, pursuant to **Section 28.2.1**, below.

27.14.7 If any undisputed Unpaid Charges for resale services or network elements remain unpaid twenty-nine (29) calendar days past the due date of such Unpaid Charges, SBC-AMERITECH shall notify AT&T and the Commission that unless all such Unpaid Charges are paid within sixteen (16) calendar days, the resale services and network elements furnished to AT&T under this Agreement for which undisputed Unpaid Charges are outstanding (i.e., delinquent) shall be disconnected. This notice shall further specify that for any of AT&T’s Resale end Users whose local service will be so disconnected, SBC-AMERITECH shall cause such Resale end Users to be defaulted to SBC-AMERITECH local service. On the same day that it sends the letter required by this **Section 27.14.7**, SBC-AMERITECH will suspend acceptance of any order (other than a disconnect order) from AT&T for any resale service or network element that could be furnished under this Agreement.

27.14.8 If any undisputed Unpaid Charges for resale services or network elements remain unpaid forty (40) calendar days past the due date of the undisputed Unpaid Charges, AT&T shall, at its sole expense, notify its end users and the Commission that the end users’ service will be disconnected due to AT&T’s failure to pay such Unpaid Charges, and that its end users must affirmatively select a new Local Service Provider within five (5) calendar days of the notice date. This notice shall also advise

AT&T's Resale end users that SBC-AMERITECH may assume the end user's account at the end of the five (5) calendar day period should the end user fail to select a new Local Service Provider in the interim.

27.14.9 If any undisputed Unpaid Charges for resale services or network elements furnished to AT&T under this Agreement remain unpaid forty-five (45) calendar days past the due date of such Unpaid Charges, SBC-AMERITECH shall disconnect the resale services or network elements for which such undisputed charges remain unpaid. On the same date that such resale services are disconnected, SBC-AMERITECH shall cause Resale end users of the services disconnected in accordance with this Section that have not selected another local service provider to be transferred directly to SBC-AMERITECH's local service. To the extent available at retail from SBC-AMERITECH, the Resale end users transferred to SBC-AMERITECH's local service shall receive the same services provided through AT&T immediately prior to the time of transfer. SBC-AMERITECH shall inform the Commission of the names of all Resale end users transferred through this process. Applicable conversion charges and service establishment charges prescribed by this Agreement for transferring Resale end users from AT&T to SBC-AMERITECH as specified in this **Section 27.14.9** shall be billed to, and paid by, AT&T.

27.14.10 Within five (5) calendar days after the transfer (fifty (50) calendar days past the due date for such undisputed Unpaid Charges), SBC-AMERITECH shall notify all transferred Resale end users that because of AT&T's failure to pay SBC-AMERITECH, their local service is now being provided by SBC-AMERITECH. SBC-AMERITECH shall also notify each transferred Resale end user that the Resale end user has thirty (30) calendar days to select a new Local Service Provider.

27.14.11 If any Resale end user transferred to SBC-AMERITECH's local service pursuant to **Section 27.14.9** of this Agreement fails to select a new Local Service Provider within thirty (30) calendar days of the transfer to SBC-AMERITECH's local service (eighty (80) calendar days past the due date for AT&T's undisputed Unpaid Charges), SBC-AMERITECH shall terminate that Resale end user's service. SBC-AMERITECH shall notify the Commission of the names of all such end users whose service has been terminated pursuant to this **Section 27.14.11**. The transferred Resale end user shall be responsible for any and all charges incurred during the selection period.

27.14.12 SBC-AMERITECH may discontinue service to AT&T as provided in **Section 27.14.9** of this Agreement only after SBC-AMERITECH has sent all notices it is required to send as provided in **Article XXVIII**, if any, and this **Section 27.14**, and shall have no liability to AT&T or AT&T's end users in the event of such disconnection.

27.14.13 Nothing in this Agreement shall be interpreted to obligate SBC-AMERITECH to continue to provide service to any transferred end user beyond the

thirty (30) calendar day selection period. Nothing herein shall be interpreted to limit any and all disconnection rights SBC-AMERITECH has with regard to such end users.

27.14.14 Once all notices SBC-AMERITECH is required to send under this **Section 27.14** have been sent, SBC-AMERITECH shall not be required to accept any order (other than a disconnect order) relating to resale services or network elements from AT&T until: (i) all undisputed Unpaid Charges for resale services and network elements under this Agreement are paid, and (ii) AT&T has furnished AMERITECH a deposit calculated pursuant to the terms and conditions of **Section 19.20** (Deposits) of **Article XIX** of this Agreement.

27.15 Customer Usage Data – Introduction.

27.15 This Section Customer Usage Data sets forth the terms and conditions for SBC-AMERITECH's provision of usage data (as defined in this Article) to AT&T. Usage Data will be provided by SBC-AMERITECH to AT&T when AT&T purchases Network Elements or Resale services from SBC-AMERITECH.

27.15.1 General Requirements for Customer Usage Data

27.15.1.1 SBC-AMERITECH's provision of Usage Data to AT&T will be in accordance with the Performance Metrics to be developed by AT&T and SBC-AMERITECH during and as part of the implementation and testing process. SBC-AMERITECH's performance based on such Performance Metrics will begin to be measured and reported at the time AT&T begins providing local service to customers, but SBC-AMERITECH's provision of Usage Data will not be required to meet such Performance Metrics until six (6) months after AT&T begins providing local services to customers.

27.15.1.2 SBC-AMERITECH will retain Usage Data as specified in the Southwestern Bell Resale/Unbundled Network Elements Usage Extract User Guide Dated April 12, 2000, or as otherwise agreed to by the Parties, subject to applicable laws and regulations.

27.15.2 Customer Usage Data Specifications

27.15.2.1 SBC-AMERITECH will provide all usage data for AT&T's customers using the SBC-AMERITECH-provided Network Element(s) or Resale services. Usage Data includes, but is not limited to, the following categories of information:

- completed calls;
- use of CLASS/LASS/Custom Features;

- calls to information providers reached via SBC-AMERITECH facilities and contracted by SBC-AMERITECH;
- calls to directory assistance where SBC-AMERITECH provides such service to an AT&T customer;
- calls completed via SBC-AMERITECH-provided operator services where SBC-AMERITECH provides such service to AT&T's local service customer;
- records will include complete call detail and complete timing information for Network Elements and Resale services;
- Station-level detail for SBC-AMERITECH-provided CENTREX and PLEXAR families of services for Resale services.

SBC-AMERITECH will provide Usage Data for completed calls only for Network Elements that SBC-AMERITECH records (e.g., unbundled local switching, but not loops). SBC-AMERITECH will provide Usage Data for completed calls for Resale services offerings that SBC-AMERITECH records for itself (e.g., Local Measured Service.)

27.15.2.2 SBC-AMERITECH will provide to AT&T Usage Data for AT&T customers only. SBC-AMERITECH will not submit other carrier local usage data as part of the AT&T Usage Data.

27.15.3 Customer Usage Data Format

27.15.3.1 SBC-AMERITECH will provide Usage Data in the OBF Exchange Message Interface (“EMI”) format and by category, group and record type, as specified in the Southwestern Bell Resale/Unbundled Network Elements Usage Extract User Guide Dated April 12, 2000, or as otherwise agreed to by the Parties

27.15.3.2 SBC-AMERITECH will include the Working Telephone Number (“WTN”) of the call originator on each EMI call record.

27.15.3.3 End user customer usage records and station level detail records will be in packs in accordance with EMI standards.

27.15.3.4 For Resale services, SBC-AMERITECH will daily provide AT&T with daily recordings which will permit it to render end user bills. For Network Elements only, SBC-AMERITECH will daily provide AT&T with daily recordings that will permit it to render end user bills and interLATA and intraLATA access bills. All recordings pursuant to this Section will be as specified in the Southwestern Bell Resale/Unbundled Network Elements Usage Extract User Guide Dated April 12, 2000, or as otherwise agreed to by the Parties.

27.15.3.4.1 For the transmissions of such records, AT&T will pay to SBC-AMERITECH a per-record charge set forth in the **Pricing Schedule**.

27.15.4 Usage Data Reporting Requirements

27.15.4.1 SBC-AMERITECH will segregate and organize the Usage Data in a manner agreeable to both Parties.

27.15.4.2 SBC-AMERITECH will provide segregated Usage Data to AT&T locations as agreed to by the Parties.

27.15.4.3 SBC-AMERITECH will transmit formatted Usage Data to AT&T over Network Data Mover Network using CONNECT:Direct protocol, or otherwise agreed to by the Parties.

27.15.4.4 AT&T and SBC-AMERITECH will test and certify the CONNECT:Direct interface to ensure the accurate transmission of Usage Data.

27.15.4.5 SBC-AMERITECH will provide Usage Data to AT&T daily (Monday through Friday) on a daily time schedule to be determined by the Parties.

27.15.4.6 SBC-AMERITECH will establish a single point of contact to respond to AT&T call usage, data error, and record transmission inquiries.

27.15.4.7 Changes to the Usage Data EMI format, content, and transmission processes will be tested prior to implementation as mutually agreed by both Parties.

27.16 Alternatively Billed Calls-Resale Services and Network Elements.

27.16.1 Calls that are placed using the services of SBC-AMERITECH or another LEC or LSP and billed to a Resale service line or to an Network Element (e.g., switch port) of AT&T are called "Incollects." Calls that are placed using a AT&T Resale service line or Network Elements (e.g., switch port) and billed to a SBC-AMERITECH line or other LEC or LSP are called "Outcollects."

27.16.2 Outcollects: SBC-AMERITECH will provide to AT&T the unrated message detail that originates from an AT&T subscriber line but which is billed to a telephone number other than the originating number (e.g., calling card, bill-to-third number, etc.). SBC-AMERITECH has agreed to transmit such data on a daily basis. AT&T as the Local Service Provider ("LSP") will be deemed the earning company and

will be responsible for rating the message at AT&T tariffed rates and AT&T will be responsible for providing the billing message detail to the billing company for end user billing. AT&T will be compensated by the billing company for the revenue it is due. A per-message charge for SBC-AMERITECH's transmission of Outcollect messages to AT&T is applicable, and SBC-AMERITECH will bill AT&T for the transmission charge set forth in the **Pricing Schedule**. In addition, for Resale services, AT&T will compensate SBC-AMERITECH for the receipt of the IntraLATA toll message.

27.16.3 Incollects: For messages that originate from a number other than the billing number and that are billable to AT&T customers (“**Incollects**”), SBC-AMERITECH will provide the rated messages it receives from the CMDS1 network or which SBC-AMERITECH records (non-ICS) to AT&T for billing to AT&T's end-users. SBC-AMERITECH will transmit such data on a daily basis. SBC-AMERITECH will credit AT&T the Billing and Collection (“**B&C**”) fee set forth in the **Pricing Schedule** for billing the Incollects. AT&T and SBC-AMERITECH have stipulated that a per message charge for SBC-AMERITECH's transmission of Incollect messages to AT&T is applicable, and SBC-AMERITECH will bill AT&T for the transmission charge set forth in the **Pricing Schedule**.

27.17 Charges for Ancillary Functions.

27.17.1 Any SBC-AMERITECH charges for ancillary functions shall be billed consistent with the provisions of **Article XXVII** of this Agreement.

27.17.2 Any SBC-AMERITECH charges for ancillary functions must be specifically documented consistent with **Article XXVII** of this Agreement.

27.17.3 AT&T may request that certain of these charges for ancillary functions be included in separate connectivity bills sent to separately designated billing addresses.